

Balance Sheet

March 31, 2016

BB Backbone Corp.

(Yen)

Assets		Liabilities	
【Current assets】	1,310,725,843	【Current liabilities】	742,143,652
Cash and deposits	1,192,356,212	Accounts payable	50,944,598
Accounts receivable-trade	9,848,693	Accounts payable - other	89,720,919
Supplies	9,727,481	Accrued expense	183,492
Prepaid expenses	83,805,326	Income taxes payable	38,381,200
Income taxes receivable	38,869	Consumption tax payable	23,937,700
Deferred income tax asset	14,949,262	Deposits received	3,600
【Fixed assets】	1,615,735,045	Reserve for bonuses	33,702,432
(Tangible fixed assets)	1,557,628,897	Advances received	504,609,669
Machinery and equipment	2,330,486	Suspense receipt	660,042
Line facility	1,545,385,453	【Fixed liabilities】	1,360,141,688
Tools, furniture and fixtures	868,550	Assets retirement obligations	200,000
Construction in progress	9,044,408	Long-term advances received	1,359,941,688
(Intangible fixed asset)	5,653,944	Total liabilities	2,102,285,340
Software	254,994	Net assets	
Right of trademark	148,950	【Shareholders' equity】	824,175,548
Good will	5,250,000	(Capital stock)	210,000,000
(Investments and other assets)	52,452,204	(Retained earnings)	614,175,548
Long-term prepaid expenses	49,403,084	Other Retained earnings	614,175,548
Lease deposits	3,049,120	Total net assets	824,175,548
Total assets	2,926,460,888	Total liabilities and net assets	2,926,460,888

Notes on non-consolidated financial statements

1 Explanatory Notes Concerning Matters Pertaining to Significant Accounting Policies

(1) Valuation bases and methods of inventories

Supplies Cost method by moving average method.

(2) Depreciation method for fixed asset

Tangible fixed assets Evaluated by straight-line method

Major service life is as follows:

Machinery and equipment	5 – 9 years
Line facilities	10 – 27 years
Structures	10 year
Tools, furniture and fixtures	5 – 6 years

Intangible fixed asset Evaluated by straight-line method

Software is evaluated by the straight-line method based on the availability period (5 years) (Usage inside the company).

(3) the standards for recognition of significant allowances

Reserve for bonuses To appropriate the reserve fund for bonuses paid to employees, the current obligation amount (among future estimated amount to be paid) is recorded.

(4) Accounting processing for consumption tax

Consumption tax is accounted for by the tax-exclusion method

2. Current net income 210,211,119 yen